

Message Text

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PAGE 01 TORONT 01566 212024Z
ACTION EUR-12

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TO SECSTATE WASHDC 5717
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INFO AMEMBASSY OTTAWA
ALL CONSULATES GENERAL IN CANADA VIA POUCH

UNCLAS TORONTO 1566

E.O. 11652: N/A
TAGS: EMIN, PGOV, SPON, CA, US
SUBJECT: MEDIA REACTION -- TORONTO STAR ON GULF URANIUM TESTIMONY

JOINT STATE-USIS MESSAGE

1. IN ABOVE THE ELD FRONT PAGE HEADLINE "OTTAWA
CONDEMNS US SUBSIDIARIES AS PORRT CITIZENS" TORONTO STAR
JUNE 17, 1977 QUOTES MINISTERS FILLESPIE AND MACDONALD
AS BEING HIGHLY CRITICAL OF GULF OIL FOR RELEASING
"CONFIDENTIAL GOVERNMENT" DOCUMENTS TO THEIR PARENT
COMPANY. THEY "ARE OUTRAGED ABOUT THE RELEASE OF PREVIOUSLY
SECRET CANADIAN GOVERNMENT DOCUMENTS, RELATING TO
URANIUM PRICEFIXING, IN WASHINGTON YESTERDAY." ACCORDING
TO FILLESPIE THESE DOCUMENTS HAD "FOOLISHLY" BEEN
TRANSMITTED TO THE PARENT COMPANY IN THE US BY THE
CANADIAN SUBSIDIARY.
"GILLESPIE SAID THE CANADIAN GOVERNMENT HAS DELIVERED
A SHARP PROTEST TO THE US GOVERNMENT OVER THE RELEASE
OF THE DOCUMENTS..." AND HAS "MADE REPRESENTATIONS
TO THE OFFICERS OF GULF IN THE STRONGEST POSSIBLE
TERMS" INDICATING THE GOC WOULD NOT TOLERATE THIS KIND
OF ACTION AND THAT "THEY HAVE TO DECIDE WHETHER THEY'RE
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A CANADIAN CORPORATION OR NOT. THE ACTION THEY HAVE
TAKEN IS VERY UN-CANADIAN. I'M NOT PREPARED TO CONSIDER
THEM A GOOD CANADIAN CORPORATE CITIZEN."

2. IN ONE OF TWO SIDEBARS IN THE INSIDE CONTINUATION
OF THE STORY, THE STAR'S WASHINGTON CORRESPONDENT SAYS
"THE CANADIAN GOVERNMENT IS TO BE ASKED BY A CONGRESSIONAL

COMMITTEE WHETHER THEY TURNED A U.S. URANIUM FIRM INTO A 'CORPORATE PATTY HEARST) - FORCED TO JOIN A PRICE-FIXING CARTEL AND THEN DEVELOPING AN ENTHUSIASM FOR THE WORK." THE ARTICLE GOES ON TO SAY THAT "CLARIFICATION OF CANADIAN POLICY - CALLED A 'NEW AVENUE' IN CANADIAN-AMERICAN RELATIONS - WILL BE FORWARDED TO OTTAWA BY THE STATE DEPARTMENT AT THE URGING OF...JOHN MOSS..."

3. IN THE OTHER INSIDE PAGE STORY, GULF IS CASE AS "A GIRL TRYING TO GO STEADY WITH TWO GUYS AT ONCE." IF SHE MAKES ONE HAPPY, SHE OFFENDS THE OTHER."
"WHAT CANADA CONSIDERS AS THE ESTABLISHMENT OF ORDERLY MARKETING SYSTEMS TRANSLATES IN THE US INTO ILLEGAL PRICE-FIXING AND VIOLATION OF ITS ANTI-TRUST LAWS."
AS TO PRICE-FIXING, "THE ANGRY MACDONALD SAID CANADA HAS ACTED ONLY TO PROTECT ITSELF AGAINST 'PREDATORY PRICING POLICIES' OF THE US GOVERNMENT."

4. THE STAR CONTINUED ITS COVERAGE IN THE SATURDAY JUNE 18 ISSUE WITH AN INFORMAL SURVEY OF US-OWNED FIRMS AS TO WHETHER THEY PASS "CONFIDENTIAL GOVERNMENT INFORMATION TO THEIR PARENT COMPANIES." "THEY DON'T DO IT -- OR AT LEAST AREN'T ABOUT TO ADMIT THEY DO;" AN EDITORIAL CARTOON WITH CARTER DRESSED IN A BASEBALL CATCHER'S OUTFIT SAYING "YOU'VE GOT THE WRONG GAME, MAC" TO MACDONALD DECKED OUT AS A LACROSSE PLAYER, MAPLE LEAD UNCLASSIFIED

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WITH DOLLAR SIGN IN THE CENTER OF HIS JERSEY AND BALL MARKED URANIUM IN HIS WEBBED RACKET RESPONDING "GET LOST.IT'S MY BALL." AND MUCH LONGER PIECE WITH HEADLINE "U.S. CONDEMNS CANADA FOR 'YELLOWCAKE CARTEL'" WHICH TRACES THE HISTORY OF THE 'PRODUCER CARTEL, TO WHICH CANADA BELONGED..." FROM THE EARLY 50S URANIUM BOOM TO DATE, AS WELL AS HOW WESTINGHOUSE CAME TO "SUBPOENA(D) DOCUMENTS IT SAID PROVED AN INTERNATIONAL CARTEL" HAD FORCED PRICES UP.

5. ON MONDAY, JUNE 20, THE STAR'S LEAD EDITORIAL, WRITTEN BY MARK GAYN, CAPTIONED "CANADA CAUGHT IN THE COOKIE JAR" STATES: "IT'S EMBARRASSING TO FIND CANADA CAUGHT WITH ITS FINGERS IN THE SAME CARTEL COOKIE JAR AS THE OIL-PRODUCING NATIONS..."
"NO ONE QUARRELS WITH THE NEED FOR CANADA TO RESPOND TO US PROTECTIONIST MOVES WHICH HAD PULLED THE RUG FROM UNDER OUR OWN URANIUM INDUSTRY, WHAT IS WRONG IS THE WAY IT WAS DONE. INSTEAD OF ENGAGING IN BID-RIGGING PRACTICES THAT ARE CONTRARY TO THIS COUNTRY'S OWN LAWS, OTTAWA SHOULD HAVE BEEN OPEN AND ABOVE BOARD. IT SHOULD HAVE DECLARED WITH ITS PARTNERS A WORKD PRICE

FOR URANIUM. CONSUMERS SHOUD HAVE KNOWN WHAT WAS
HAPPENING INSTEAD OF BEING VICTIMS OF COMMERCIAL DECEPTIONS."
IT CONCLUDES THAT "FINANCE MINISTER DONALD MACDONALD MAY
NOT BE HAPPY WITH DISCLOSURES OF THESE CANADIAN PRACTICES
BEFORE THE U.S. CONGRESS. BUT HE HIMSELF HAS A LOT OF
EXPLAINING TO DO ON THE ETHICS OF CANADA'S SHORT-LIVED
URANIUM CARTEL."
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